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## Current Support Brief

COMMUNIST CHINA TO REPLACE THE SOVIET BLOC  
IN CONSTRUCTION OF ALBANIAN FERTILIZER PLANTS



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COMMUNIST CHINA TO REPLACE THE SOVIET BLOC  
IN CONSTRUCTION OF ALBANIAN FERTILIZER PLANTS

Recent announcements indicate that Communist China may take over previous Soviet Bloc commitments to construct fertilizer plants in Albania. In December 1962 an Albanian official announced that construction of 15 Albanian industrial projects, specifically including a superphosphate fertilizer plant at Lac, would be undertaken with Chinese Communist assistance. 1/ About the same time, the Chinese reportedly discussed with the Italian firm Snam Progetti the construction in Albania of an ammonium nitrate fertilizer plant to be located at Fier and to be paid for by China.

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25X1C [REDACTED] Both plants were to have been provided by the Bloc before the break in relations between Albania and the USSR. These first two major chemical installations will add significantly to the total industrial output of this still largely agricultural country and will be of particular importance in reducing Albania's complete dependence on imports of chemical fertilizer.

1. Discontinuance of Soviet Bloc Aid

Originally, both fertilizer plants were major projects in the Albanian Third Five Year Plan (1961-65). Construction actually began on the Lac plant in February 1961 with aid from Czechoslovakia in the form of credits and technical assistance 3/ but apparently was discontinued late in 1961. For reasons unknown, work on the ammonium nitrate fertilizer plant was never started, although the USSR had granted credits to Albania for this project in 1958. 4/ Nevertheless, periodic Albanian reports have continued to include both fertilizer plants as part of the Third Five Year Plan.

2. Original Albanian Plans for Construction of Fertilizer Plants

The capacities of the plants in question, although not given in the recent announcements, probably will be fairly large. According to the Third Five Year Plan, the superphosphate fertilizer plant is to have an

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annual capacity of 170,000 metric tons (mt) of superphosphate, and the ammonium nitrate fertilizer plant is to produce 110,000 mt per year of ammonium nitrate. 5/ Inasmuch as total imports of fertilizer in 1959 amounted to only 28,000 mt, 6/ output of these two plants would improve considerably the available supply of fertilizer.

The superphosphate fertilizer plant at Lac originally was intended to be part of a chemical-metallurgical combine to be built with Czechoslovak aid and, with 3,000 workers and technicians, was to be one of the largest industrial installations in Albania. In addition to fertilizers, the combine was to produce sulfuric acid (70,000 mt annually), copper sulfate (2,000 mt annually), blister copper, and ferrochrome. 7/ As part of the project, a railroad line was planned to be constructed to connect the plant with Tirana, the capital, and Durres, Albania's major seaport.

3. Chinese Communist Aid

The aid that Albania may receive from China to obtain an ammonium nitrate fertilizer plant probably would be an implementation of earlier credit agreements. An agreement signed in 1961 may have been intended only to replace Czechoslovak and Soviet aid if necessary, but Albania did negotiate at that time for purchase from Italy of a plant that would produce the ammonia and nitric acid needed for ammonium nitrate fertilizer production on a petrochemical basis. 8/ Since mid-1961, however, no further information appeared until recently on the status of any attempts made to obtain an ammonium nitrate fertilizer plant for Albania.

4. Present Plans for Plant Construction

Albanian planners now seem to have given priority to the construction of the superphosphate fertilizer plant at Lac, but not as part of the combine as originally planned. The plant at Lac, to which a railroad was completed in 1962, is specifically included as part of the 1963 Plan, whereas the plant at Fier, which lacks rail connections, is not mentioned. For raw material for the Lac plant, apatite concentrate can be obtained from North Vietnam, or, if necessary, phosphate rock is available from North Africa and Jordan. A copper refinery, to be constructed with Chinese aid near an existing smelter at Rubik 9/ close to Lac, apparently is

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to be the source of sulfur for the sulfuric acid required for production of superphosphate. Because of domestic requirements for chemical fertilizer equipment, however, China may prefer to purchase much of the equipment for the plant from the West.

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